



บริษัท อาม่า มารีน จำกัด (มหาชน)  
AMA MARINE PUBLIC CO., LTD.

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA008/2021

Aug 6, 2021

Subject: 2Q2021 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

2Q2021 Management Discussion and Analysis

**Executive Summary**

**International marine logistics service**

The service income of AMA Marine Public Company Limited (“the Company”) decreased by Baht 21.81 million or 7.05% YoY. As a result of cargo carried volume declined by 14.85%, from downsizing fleet size and low palm oil productivity in the second quarter which extend lead time for utilize cargo. In addition, 14 days’ quarantine restrictions for departing from India, turnover of vessel was deteriorated. The gross profit of the Company in 2Q2021 was Baht 41.14 million, dropped by Baht 29.80 million or 42.01% YoY representing gross profit margin at 14.32%, decreased from 22.95 % YoY due to higher fuel cost but the freight rate slightly improved.

**Domestic land logistics service**

AMA Logistics Co., Ltd. (“the Subsidiary”) reported additional services income of Baht 51.86 million or 33.30% YoY. In 2Q2021, the Subsidiary had carried oil volume of 590.94 million liters, grew by 118.10 million liters or 24.98% YoY. In addition, the Subsidiary could manage the truck fleet more efficiently, resulting in an increase in the gross profit of Baht 53.54 million, or surged by Baht 17.24 million or 47.44% YoY. The gross profit margin of 25.79% increased YoY from 23.32%.

Table 1: Key Financial Results

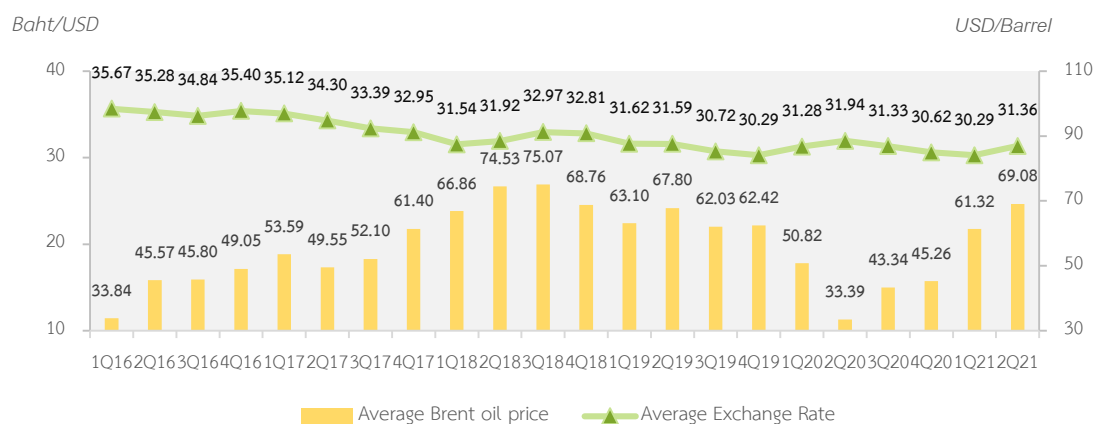
unit: million Baht

	1Q2021	2Q2020	2Q2021	%YoY	%QoQ
Service Income	425.58	464.87	494.91	6.46%	16.29%
Gross Profit	59.36	107.25	94.67	(11.73%)	59.48%
Gain (Loss) from disposal of assets	-	(0.01)	-	(100.00%)	#DIV/0!
Gain (Loss) on an exchange rate	10.76	(28.24)	7.13	125.25%	(33.75%)
Gain (Loss) from financial instruments	(15.75)	23.79	(7.07)	(129.72%)	55.12%
Net profit	8.19	54.59	45.47	(16.71%)	455.50%
Gross profit margin (%)	13.95%	23.07%	19.13%		
Net profit margin (%)	1.92%	11.74%	9.19%		
Service income in USD (Separated financial statements)	7.85	9.75	9.14	(6.22%)	16.49%

## Economic and Industry Overview

- Fitch Ratings expects a further price drop in 2H21. The recent drop in CPO prices is in line with the broader correction in edible oil prices, which is mainly driven by rising production due to favorable weather conditions. They expect an increase in output of palm oil and key substitute soybean oil with the end of the La Nina phenomenon. However, output in Malaysia, which produces roughly a quarter of global palm oil, remains below normal due to a shortage of foreign workers as a result of Covid-19-related restrictions.  
(Source: Fitch ratings, 24 June 2021)
- The currency exchange of US Dollar had been signed on the Company's operation in terms of the functional currency used according to TAS 21. In 2Q2021, the average of the Thai Baht to US dollar was Baht 31.36 per USD slightly appreciated from 2Q2020 at Baht 31.94 per USD but depreciated QoQ. Thai Baht tends to depreciate in line with the global market direction due to the strengthening US dollar since investors turn to hold more because there is concern about the situation of the epidemic of COVID-19 In the harsh European Union while tackling COVID-19 in the US, progress has been made in spreading vaccines and campaigning for more people to wear masks. This helps to slow down the number of new infected patients.
- Voluntary in crude oil price impact the Company's performance due to the fact that fuel cost classified as major transportation cost. In 2Q2021, average Brent crude oil price reported at USD 69.08 per barrel, surged by 106.89% YoY since the oil market has excess demand relatively to supply due to recovery in global oil demand. Furthermore, the number of Covid-19 cases is likely to decline in the United States from high vaccination rate. Therefore, economy signals in term of re-open economy indicate growth of oil demand.
- The daily average fuel consumption in Thailand for the first half of 2021 (January-June) was 135.7 million liters per day, 2.1% decrease from last year at the level of 137.9 million liters per day mainly due to the impact of COVID-19 that affect economic activities.

Table 2: Average Brent oil price and Exchange Rate



Source: BOT, U.S.A Energy Information Administration

## 2Q2021 Results

### 1) Revenues

Table 3: Revenues

Revenue Structure	2Q2020		2Q2021	
	million Baht	%	million Baht	%
<b><u>International marine service</u></b>				
Service income	308.36	66.33	281.23	56.82
Demurrage charge	0.79	0.17	6.11	1.23
Total revenue from marine service	309.15	66.50	287.34	58.06
<b><u>Domestic land transportation service</u></b>				
Service income	155.72	33.50	207.57	41.94
Total revenue from land service	155.72	33.50	207.57	41.94
<b>Total revenue from services</b>	<b>464.87</b>	<b>100.00</b>	<b>494.91</b>	<b>100.00</b>

2Q2021 consolidated revenues of the Company and its subsidiary posted at Baht 494.91 million, increase by Baht 30.06 million or 6.46% YoY. The proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 58.06% and 41.94%, respectively.

Revenue from international marine service dropped by Baht 21.81 million, or 7.05% YoY because of less fleet from 10 vessels to 9 vessels. The Company's average fleet utilization rate was 95.69 %, slightly dropped from 97.70% YoY from low palm oil production cause longer lead time to laycan. 14 days' quarantine measures pressure lower turnover voyage compare to normal operation. So slumping in volume shipment around 55,029.68 tons or 14.85% relative to 2Q2020. Besides, high volatility in Foreign Exchange rate impact Thai baht appreciate against US dollar affect the lower revenue.

For domestic land transportation services, its revenues increased of Baht 51.86 million, or 33.30% YoY, in line with the expansion of fleet from 201 to 254 truck tankers in 2Q2021. The subsidiary had transported oil volume of 590.94 million liters, raise by 118.10 million liters or 24.98% YoY due to more efficient fleet management

### 2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit dropped by Baht 12.58 million or 11.73% YoY to record at Baht 94.67 million, representing gross profit margin at 19.13%, compared with 23.07% in 2Q2020.

Gross profit of Marine transport in 2Q2021 was Baht 41.14 million decreased by Baht 29.80 million or 42.01%, representing gross profit margin at 14.32%, compared with 22.95% YoY. The declining in gross profit margin of marine transport mainly from significantly increased fuel price while the freight rate rose only 9.3% YoY. even if the Company

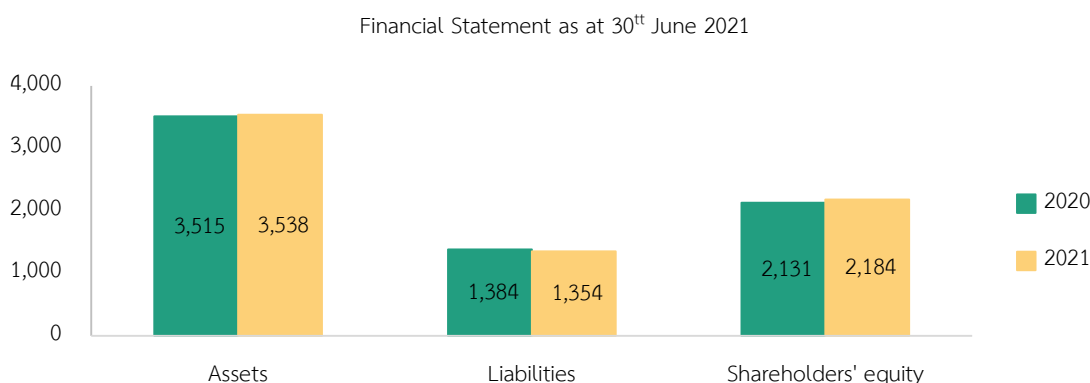
control vessel's speed in line with an economic speed. The major cost of services consists of (1) fuel costs, (2) employee expenses, and (3) depreciation.

Whereas, the gross profit of domestic land transport in 2Q2021 was Baht 53.54 million surged by Baht 17.23 million or 47.44%, representing gross profit margin at 25.79%, higher than 23.32% in 2Q2020. This is due to more efficient management of routes, drivers and other related costs.

### 3) Net profit and Net profit margin

In 2Q2021, the Company and its subsidiary's consolidated net profit dropped by Baht 9.12 million or 16.17% YoY to record at Baht 45.47 million. Net profit margin was 9.19% compared with 11.74% YoY.

### Financial Status



#### 1) Assets

The Company and its subsidiary had total assets of Baht 3,538.31 million, increased by Baht 23.75 million or by 0.68% YTD mainly due to increasing of trucks.

#### 2) Liabilities

The Company and its subsidiary had total liabilities of Baht 1,354.08 million, slightly decreased by Baht 29.87 million or 2.16% YTD due to long term loan repayment.

#### 3) Shareholders' equity

The Company and its subsidiary had equity of Baht 2,184.23 million, increased by Baht 53.61 million, or 2.52% YTD resulting from the operation and the increased in differences on translating financial statement and dividend payment amount of Baht 103.58 million.

## Cash Flows

Table 4: Cash flows

unit: million Baht

	30 June 2020	30 June 2021	Change	%YoY
Net cash provided by (used in) operating activities	180.22	197.66	17.44	9.68%
Net cash provided by (used in) investing activities	42.58	(42.77)	(85.35)	(200.43%)
Net cash provided by (used in) financing activities	(172.05)	(282.58)	(110.52)	(64.24%)
Increase (decrease) in exchange differences on translating financial statements	19.30	(1.09)	(20.39)	(105.65%)
Net increase (decrease) in cash and cash equivalents	70.05	(128.78)	(198.83)	(283.85%)
Cash and cash equivalents as at 1 <sup>st</sup> January	88.24	224.97	136.73	154.94%
Adjustment effects of exchange rate	(11.61)	(1.69)	9.92	85.47%
Cash and cash equivalents as at 30 <sup>th</sup> June	146.68	94.50	(52.18)	(35.57%)

The period ended 30<sup>th</sup> June 2021, the Company and its subsidiary had net cash flow received from operating activities of Baht 197.66 million, net cash flow used in investing activities of Baht 42.77 million (Dry-docking), and net cash flow used in financing activities of Baht 282.58 million (long-term loan repayment and dividend payment). Therefore, cash and cash equivalent items as of the ended 30<sup>th</sup> June 2021 is Baht 94.50 million, decreased by Baht 52.18 million from 30<sup>th</sup> June 2020.

## Key Financial Ratios

Table 5: Key Financial Ratios

	2020	2021	Change
Current ratio (times)	0.70	0.47	(0.23)
Quick ratio (times)	0.61	0.37	(0.24)
Receivables turnover ratio (times)	16.92	15.28	(1.64)
Average receivable collection period (days)*	21.27	23.56	2.29
Debt to equity ratio (times)	0.65	0.62	(0.03)
Interest bearing debt-to-equity ratio (times)	0.59	0.54	(0.05)
Return on assets (%)	6.86	6.39	(0.47)
Return on equity (%)	8.11	7.62	(0.49)

\*The Company's credit policy is 20-25 days.

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director

Investor Relations

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